



To: Colleen Conway, Immediate Past Chair, SACUA

From: Douglas Richstone, Chair, Financial Affairs Advisory Committee

Subject: Report on Activities of Financial Affairs Advisory Committee for 2020-2021

Members: Nancy Allee, Erhan Bayraktar, Michael Byers, Nicholas Reed Dunnick, Erik Marshall, Adam Matzger, Erik Nielsen, Jessica Pasquale, Daniel Rife, Keith Riles, Vincent Alessi, John Mansfield

SACUA Liaison: Ivo Dinov

Meeting Dates: October 19, 2020; November 16, 2020; February 15, 2021; March 22, 2021

Summary:

The Pandemic was omnipresent in our discussions this year. The FAAC was anxious to provide a sounding board to the CFO and associates as they desired help. The topics of focus for the year included:

1. A report from Chief Investment Officer Eric Lundberg on the University's investment strategy and funds management in the post-COVID world. During the course of this discussion Ivo Dinov asked a question about distinguishing between endowment growth due to return on investment and endowment growth due to gifts. I think he may have understood the answer but this is a good topic for further discussion.
2. Lessons learned from the (first) Wilmer-Hale report¹. The report calls for better vetting of new external hires and of faculty on promotion to positions of greater responsibility or authority. HR reports to the CFO, so commenting on developing plans fell to the FAAC. There are several areas of concern. Chief among these is that processes developed for staff logically reside with HR, while those for faculty ought to reside with the Provost and the Deans. Different procedures will inevitably tend to converge. The committee generally supported increased vetting both for internal and external candidates. There were some concerns about respecting protected speech, forged social media posts (and - generally speaking - the accuracy of acquired information). The FAAC also noted that different jobs and different units were different. The discussion of this issue was extremely complex, with many committee members sharing

¹ Report of Independent Investigation: Allegations of Sexual Misconduct by Martin A. Philbert



comments. I urge Senate Assembly members to read the March minutes when we complete them.

3. Return to work post-COVID does not need to be a return to the status-quo ante. The Committee heard a report from the Workplace Innovation & Staff Experience (WISE) committee. That group made 110 recommendations for a more flexible workplace for staff. The common themes were flexibility, accountability and care. FAAC members support this increased flexibility for staff. It was also noted that some areas benefitted from proximity more than others. An important comment recognized in the minutes could be restated as the desirability of some direct contact even in cases where most of the support is remote.

Topics to be continued or carried forward to next year are:

1. Supporting the new Vice President and CFO. If an external appointment, we should stand ready to provide a sounding board where desired. We will be their initial sustained introduction to the UM faculty and staff.
2. The cost, implementation, and strategy for achieving Carbon Neutrality. This will be a major expense over the coming decade. No one is on-record for total costs. There may be significant opportunity costs. The FAAC has not had a discussion of this, although the former Building, Infrastructure and Facilities committee did (without discussing the cost).
3. Parking! We had a year reprieve. The situation may ease a bit with flexible work models, but I anticipate continued increases in parking availability.